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FISCAL IMPACT STATEMENT

LS 7491

BILL NUMBER: HB 1401

NOTE PREPARED: Jan 16, 2013

BILL AMENDED:

SUBJECT: Approval of Public Library Budgets.

FIRST AUTHOR: Rep. Lawson L

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill provides that a public library in Lake County is not required to have its budget and tax levy approved by a city or town council or by the county council, if the public library's budget does not increase by a percentage greater than the percentage that is used to increase the maximum property tax levies of local taxing units in counties other than Lake County. The bill deletes a reference to public libraries in a statute that no longer applies to public libraries.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Summary:* This bill would eliminate the municipal review of budgets for libraries in Lake County when the budget increase does not exceed the allowable percentage increase in the rest of the state (currently 2.8%). Currently, any budget increase for the libraries in Lake County is subject to review. This change would affect the East Chicago, Gary, Hammond, Lowell, Whiting, Crown Point, and Lake County Public Libraries.

Background: Under current law, library budgets and levies are subject to review by the fiscal body of the city, town or county only if the proposed budget increase exceeds the AVGQ (currently 2.8% in counties other than Lake County). Additional appropriations for libraries are subject to review only if the additional appropriation

would result in a total budget increase that exceeds the AVGQ.

In Lake County, however, the AVGQ growth is zero because the county has not adopted a local option income tax at a 1% rate. So, any budget increase for the libraries in Lake County is currently subject to review.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Libraries in Lake County.

Information Sources:

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